



City of Grand Island

Tuesday, July 12, 2011

Council Session

Item G3

#2011-166 - Approving Bid Award for Purchase of Liquid Ortho-Polyphosphate for Corrosion Control

Staff Contact: Tim Luchsinger

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Jason Eley, Assistant City Attorney/Purchasing

Meeting Date: July 12, 2011

Subject: Purchase of Liquid Ortho-Polyphosphate for Corrosion Control

Item #'s: G-3

Presenter(s): Timothy G. Luchsinger, Utilities Director

Background

The City was issued an Administrative Order by the Nebraska Health and Human Services on March 24, 1998, requiring compliance with the Lead and Copper Rule. Because City water was corrosive enough to leach copper from household plumbing and fixtures in excess of EPA limits, the order required the preparation of an Optimum Corrosion Control Treatment program (OCCT).

The OCCT program includes the addition of liquid ortho-polyphosphate solution to the source water to reduce the corrosiveness of the naturally occurring source water. The addition was implemented in May 2003. Subsequent testing of the water system indicates that the goal of reducing corrosiveness, and thus copper levels, to comply with the regulatory order has been achieved.

Discussion

The Utilities Department solicits bids annually for the treatment solution. The current contract to provide the additive for this year is completed. Therefore, specifications for the purchase of Liquid Ortho-Polyphosphate for Corrosion Control for another year were prepared and issued for bid. The specifications require a firm price for the product to maintain the guaranteed dose rate. Bids were publicly opened on June 28, 2011. Three bids were received as listed below. The bids were evaluated based upon the total cost to treat 4.5 billion gallons of water (a high estimate of annual treatment needed). The engineer's estimate for this project was \$175,000.00.

Bidder	Unit Price/gal	Price/mil gal	Annual cost
Carus Phosphates, Inc.	\$ 5.00	\$20.00	\$ 90,000.00
Shannon Chemical Corporation	\$ 5.77	\$23.08	\$103,860.00
AquaSmart, Inc.	\$10.00	\$35.72	\$160,740.00

Department staff has reviewed the bids for compliance with the City's detailed specifications. The products proposed by the suppliers are similar in chemical composition, as well as with another product successfully used in the past. The current dosage rate has been approved as part of the OCCT and has proven to achieve compliance with State Health Department regulations. Based on using the same dosage rates, the current supplier, Carus Phosphates, is recommended as the low evaluated bidder.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the purchase of Liquid Ortho-Polyphosphate for Corrosion Control be awarded to Carus Phosphates, Inc. from Belmont, NC, as the low responsive bidder, for a not-to-exceed price of \$20.00 per million gallons of water treated in an annual amount estimated at \$ 90,000.00. The actual annual amount will depend on City water usage.

Sample Motion

Move to approve award for the purchase of Liquid Ortho-Polyphosphate for Corrosion Control in the amount of \$20.00 per million gallons of treated water be awarded to Carus Phosphates, Inc. from Belmont, NC.



Jason Eley, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: June 28, 2011 at 2:00 p.m.
FOR: Liquid Ortho-Polyphosphate for Corrosion Control
DEPARTMENT: Utilities
ESTIMATE: \$175,000.00
FUND/ACCOUNT: 525
PUBLICATION DATE: June 14, 2011
NO. POTENTIAL BIDDERS: 7

SUMMARY

Bidder:	<u>AquaSmart, Inc.</u> Atlanta, GA	<u>Shannon Chemical Corporation</u> Malvern, PA
Bid Security:	\$7,250.00	\$5,193.00
Exceptions:	None	None

Bid Price:		
Unit Price Bid:	\$10.00	\$5.77
Unit Cost Treat.:	<u>\$35.72</u>	<u>\$23.08</u>
Total Project:	\$160,740.00	\$103,860.00

Bidder:	<u>Carus Corporation</u> Peru, IL
Bid Security:	International Fidelity Ins. Co.
Exceptions:	None

Bid Price:	
Unit Price Bid:	\$5.00
Unit Cost Treat.:	<u>\$20.00</u>
Total Project:	\$22,500.00 \$90,000.00 * Calculation Correction

cc: Tim Luchsinger, Utilities Director
Jason Eley, Purchasing Agent
Mary Lou Brown, City Administrator
Karen Nagel, Utilities Secretary

Bob Smith, Assist. Utilities Director
Pat Gericke, Utilities Admin. Assist.
Emily Muth, Utilities Dept.

P1481

RESOLUTION 2011-166

WHEREAS, the City Water Department invited sealed bids for Liquid Ortho-Polyphosphate for Corrosion Control; and

WHEREAS, on June 28, 2011, bids were received, opened and reviewed; and

WHEREAS, Carus Phosphates, Inc., of Belmont, North Carolina, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, for a not to exceed price of \$20.00 per million gallons of water treated, at an annual amount estimated at \$90,000.00 (the actual annual amount will depend on City water usage); and

WHEREAS, the bid of Carus Phosphates, Inc., is less than the estimate for Liquid Ortho-Polyphosphate for Corrosion Control.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Carus Phosphates, Inc., of Belmont, North Carolina, for a not to exceed price of \$20.00 per million gallons of water treated, in an annual amount estimated at \$90,000.00, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 12, 2011.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
July 8, 2011	☐ City Attorney